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INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE

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SIPDIS

E.O. 12958: DECL: 05/15/2034
TAGS: [MTCRE](#) [PARM](#) [PREL](#) [ETTC](#) [MNUC](#) [TSPA](#) [IR](#) [GM](#) [SZ](#)
SUBJECT: SWISS-ORIGIN DIGITAL MAGNETIC COMPASSES SOUGHT BY
IRANIAN MODAFL AFFILIATE VIA GERMAN FIRM (S)

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS
1.4 (B), (D), AND (H).

11. (U) This is an action request. Embassy Bern please
see paragraph 3.

12. (S) Background and Objectives: The United States
has information indicating that as of mid-March 2009,
Iran's Shiraz Electronics Industries (SEI) was seeking
several digital magnetic compasses manufactured by the
Swiss firm Vectronix via the German firm Holm GmbH.
These items are designed for various applications,
including in unmanned underwater vehicles, and while
not controlled by the Missile Technology Control Regime
(MTCR), they can be used as attitude and heading
reference systems in unmanned aerial vehicles (UAVs).
SEI is affiliated with Iran's Ministry of Defense and
Armed Forces Logistics (MODAFL), which is the entity
with overall responsibility for Iranian arms
procurement and development. Although Holm GmbH
representatives have requested an end-use statement
from SEI, we want to provide this information to Swiss
officials in order to support their export control
efforts. We also want to urge the GOS to take all
appropriate measures to prevent Swiss firms from acting
as suppliers to Iranian entities of proliferation
concern.

13. (U) Action Request: Request Embassy Bern approach
appropriate Swiss government officials to deliver
talking points/non-paper in paragraph 4 below and
report response. Talking points also may be provided
as a non-paper. This information will also be shared
with German officials via septel.

14. (S) Begin talking points/non-paper:

(SECRET//REL SWITZERLAND)

-- We would like to raise with you a matter of
proliferation concern and request your government's
assistance in investigating this activity.

-- The United States has information indicating that as
of mid-March 2009, Iran's Shiraz Electronics Industries
(SEI) was seeking several Swiss-origin digital magnetic
compasses from the German firm Holm GmbH.

-- The items sought were model DMC-SX 5000 digital
magnetic compasses manufactured by Switzerland's
Vectronix.

-- This equipment is designed for various applications,
including in unmanned underwater vehicles. Although
not controlled by the Missile Technology Control Regime
(MTCR), these items could also be used as an attitude
and heading reference system in unmanned aerial
vehicles (UAVs).

-- SEI is affiliated with Iran's Ministry of Defense and Armed Forces Logistics (MODAFL), the entity responsible for Iranian arms procurement and production.

-- Iran's Aerospace Industries Organization (AIO) and Defense Industries Organization (DIO) are subordinate to MODAFL. Numerous DIO and AIO entities are subject to sanctions under United Nations Security Council Resolutions.

-- Holm GmbH representatives have requested an end-use statement from Shiraz Electronics before agreeing to provide a price quotation.

-- We are providing this information to you in order to support your export control efforts, and encourage you to investigate and take all appropriate measures to prevent Swiss firms from acting as unwitting suppliers to Iranian entities of proliferation concern.

-- We will also be discussing this matter with German officials.

-- We appreciate Switzerland's cooperation on nonproliferation matters and look forward to hearing of any actions your government takes in response to this information.

End talking points/nonpaper.

15. (U) Please contact ISN/MTR's John Paul Herrmann with any questions or follow-up issues related to this case (202-647-1430 - herrmannjp@state.sgov.gov) and slug any reporting on this issue for ISN/MTR, EUR/PRA and EUR/CE.

16. (U) A word version of this document will be posted at www.state.sgov.gov/demarche.
CLINTON